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AUTO TALKS: OPTIMISM IN DETROIT

ANNCR:

THE YEAR'S MOST IMPORTANT LABOR NEGOTIATIONS HAVE BEGUN IN DETROIT WHERE FOR THE MOMENT A MOOD OF COOPERATION AND RESTRAINT PREVAILS. CHARLES MEDD HAS A BACKGROUND REPORT.

VOICE:

AMERICA'S BIGGEST MANUFACTURING CORPORATION -- GENERAL MOTORS -- AND THE NATION'S BIGGEST INDUSTRIAL UNION -- THE UNITED AUTOWORKERS -- HAVE BEGUN THEIR TRIENNIAL CONTRACT TALKS. AND FOR THE FIRST TIME IN YEARS, BOTH SIDES FEEL THEY CAN REACH AN AGREEMENT BEFORE THE CURRENT LABOR CONTRACT EXPIRES IN SEPTEMBER WITHOUT A STRIKE.

IN THE RECENT PAST, WHEN THE AUTO INDUSTRY WAS ENJOYING PERIODS OF RECORD SALES AND PROFITS, MONEY WAS THE MAJOR ISSUE. THIS YEAR, FOLLOWING THE ENERGY CRISIS AND THE ECONOMIC RECESSION THAT SO DEVASTATED BOTH THE INDUSTRY AND ITS WORK FORCE, THE TWIN ISSUES ARE JOB AND INCOME SECURITY FOR THE SEVEN HUNDRED THOUSAND WORKERS WHO MASS PRODUCE AMERICAN MOTOR VEHICLES.

FOR AUTOWORKERS, THE AVERAGE HOURLY WAGE IS JUST UNDER SEVEN DOLLARS, A FIGURE THAT HAS BEEN RISING STEADILY BECAUSE OF A CONTRACT CLAUSE THAT KEEPS WAGE LEVELS IN LINE WITH THE COST OF LIVING. FOR THE THREE BIG AUTO MANUFACTURERS -- GENERAL MOTORS, FORD AND CHRYSLER -- HOURLY LABOR COSTS COME TO WELL OVER THIRTEEN DOLLARS WHEN THE VARIOUS FRINGE BENEFITS, SUCH AS PENSIONS AND HEALTH INSURANCE, ARE INCLUDED.

ONE FRINGE AREA THE UNION IS PAYING CLOSE ATTENTION TO IS THE SO-CALLED SUPPLEMENTARY UNEMPLOYMENT BENEFIT -- KNOWN BY ITS INITIALS S.U.B. UNDER S.U.B., THE COMPANIES ARE OBLIGED TO PAY WORKERS WHO ARE TEMPORARILY LAID OFF NINETY-FIVE PERCENT OF THEIR FULL-TIME PAY. THE PLAN, FIRST NEGOTIATED BY THE LATE UNION PRESIDENT, WALTER REUTHER, IN NINETEEN FIFTY-FIVE, HAS PROVIDED WORKERS WITH WAGE PROTECTION DURING PERIODIC LULLS IN PRODUCTION. BUT DURING THE LONG, RECENT RECESSION THAT IDLED MORE THAN THREE HUNDRED THOUSAND AUTO WORKERS, THE S.U.B. FUNDS AT GENERAL MOTORS AND CHRYSLER WERE EVENTUALLY EXHAUSTED. WHILE THIS YEAR'S BOOM IN AUTO SALES HAS BROUGHT ALL BUT FIFTY THOUSAND OF THOSE WORKERS BACK TO THE ASSEMBLY LINES, THE UNION WILL INSIST ON IMPROVED PROTECTION FOR THE FUTURE.

ALONG WITH JOB AND INCOME PROTECTION, THE UNITED AUTO-WORKERS WILL BE SEEKING AT LEAST A TOKEN WAGE INCREASE AND IMPROVEMENTS IN THE CURRENT COMPANY-FINANCED PENSION SYSTEM. AS THE CONTRACT TALKS MOVE FROM GENERAL MOTORS TO THE OTHER FIRMS, THE ATMOSPHERE OF HARMONY SO OBVIOUS IN THE OPENING DAYS MAY AND PROBABLY WILL CHANGE. BUT WITH SALES AND PRODUCTION RISING AND ALL SIGNS POINTING TO RECOVERY, BOTH THE UNION AND THE COMPANIES SHARE A COMMON INTEREST IN NURSING THE INDUSTRY BACK TO FULL HEALTH -- WHICH EXPLAINS TODAY'S UNUSUAL HARMONY AND DETROIT'S OPTIMISM THAT A STRIKE CAN BE AVOIDED.

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